FUTUREGROWTH
/ ASSET MANAGEMENT

Monthly Review

February 2018

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The Futuregrowth story

A vision unfolding

Would the founders of Futuregrowth in 1994 recognise the leading asset management company it's become today?

Originally, Futuregrowth was founded to bring Michael Leeman's honours thesis to life. Backed by Southern Life, the initial suite of funds focused on social development and empowerment. The aim was to make money for pension funds while investing in disadvantaged communities.

Fast forward more than 20 years and today Futuregrowth manages around R170 billion of clients' assets, across the full range of fixed interest and development funds, and plays a key leadership role in the asset management industry in South Africa.

During this time, and under the leadership of Paul Rackstraw and Andrew Canter, we have not waivered from our purpose: "to protect and grow investors' savings through skill and diligence in a way that engenders trust and sustainably enriches people's lives, while being a positive force in society, markets and for all our stakeholders".

This purpose is based on the belief that investors can genuinely make a positive difference in society while earning sound investment performance for pension fund members.

This belief is what inspires us to pioneer development funds in sectors such as infrastructure, rural and township retail property, agriculture and renewable energy, channeling funds into innovative deals including low-income housing construction, a church in Soweto, urban regeneration projects and taxi finance, to name a few.

Because of our commitment to our clients, Futuregrowth has on various occasions taken action that has not necessarily been in our own best interests. Take the furore that ensued in 2016 after we announced that we could no longer in good conscience invest pension fund members' assets in certain SOEs until we had concluded a governance review.

On another occasion, we identified unfair and unsustainable practices within the micro-lending industry as non-developmental and ceased further investments from our development funds into this sector.

So to answer the question raised at the outset, we believe the answer is yes. The original concept of Futuregrowth is still alive, and thriving, in the Futuregrowth of today. Because even though the company has developed into a large and successful asset management brand, the philosophical belief on which the business was founded is still at the core of everything we do.

Market review

Economic and market review

New political leadership allows for a less alarming debt profile estimate	The Ramaphosa-induced euphoria gained more momentum in February. Bullish market sentiment flourished as the old guard made way for the new in the process of leadership renewal. This also allowed National Treasury more room to pull out all the stops to enable the Minister of Finance to present a more palatable national budget. Most telling was the decision to increase the VAT rate by one percentage point to 15%; a no-go option from a political perspective a mere few months ago. At least on paper, new revenue and expenditure estimates gave birth to a less alarming, albeit still concerning, government debt profile for the three year budget period compared to the dismal estimates presented at the mid-term budget in October last year.
Local currency and bond markets priced out a hefty amount of bad news	The currency and bond markets continued their tandem march to stronger levels in anticipation of, and in response to, the events above. Following the significant bull rally, both the inflation-adjusted US-Dollar/rand exchange rate and the bond market are now more fairly valued relative to our estimates. Considering the significantly reduced probability of an imminent Moody's sovereign credit ratings downgrade, it comes as no surprise that foreign bond investors responded with enthusiasm to the most recent changes. This is demonstrated by the jump in net foreign purchase of local bonds from a worst year-to-date level of about -R6bn to +R16bn by the end of February. Confirmation of a benign inflation outlook following the latest Consumer and Producer Price data releases, served to strengthen market expectations of a near term repo rate reduction by the South African Reserve Bank.
Nominal bonds delivered an outstanding, but probably unsustainable, return	The extent of the latest leg of the three-month relief rally is best illustrated by the yield of the benchmark R186 (maturity 2026) which decreased sharply from 8.46% at the end of January to 8.12% on 28 February, a level last recorded in May 2015. The sharp drop in bond yields across the yield curve gave rise to substantial capital gains. As a result, the All Bond Index returned 3.9% in February: an annualised return of 59%! The sharp drop in nominal bond yields also indirectly impacted the inflation-linked bond market positively as real yields got dragged down to lower levels.; this despite the fact that investors' need for inflation protection had been significantly reduced by a more benign inflation outlook. Following this, the JSE Inflation-linked Government Bond Index returned 1.1% for the month. Both nominal and inflation-linked bonds significantly outperformed cash (+0.5%) in February.
SA shielded from less supportive global bond market developments	Local news flow and events have buffered the impact of the continued and steady rise of US bond yields. The rising trend in US Treasury yields should be seen in light of sustained strong growth momentum, the significant reduction in unemployment, early evidence of rising underlying inflation pressure and a very large widening of the Federal budget deficit for the forthcoming fiscal year.

Market summary

Key macroeconomic themes

Economic growth	A moderate global economic recovery remains our base case, with a sustained, strong US economic recovery still leading the way. The significant loosening of US fiscal policy will contribute to this. Even so, we believe that the global recovery will continue to be structurally lower than in previous cycles, mainly due to lower productivity growth, ongoing broad-based balance sheet repair (deleveraging) and shifting demographics (ageing populations tend to save more and spend less). Locally, the biggest impediment to higher local growth remains of a structural nature. Despite the seemingly improving socio-political backdrop, without urgent macroeconomic policy reform, any short-term cyclical upswing from the primary and secondary sectors of the economy will prove inadequate in addressing South Africa's economic growth ills. The low growth trap largely remains the result of a policy vacuum, policy uncertainty, weak consumer and investor confidence and a rigid labour market. Recent political developments would have lifted confidence, and the intent to improve policy clarity is welcomed. While acknowledging the positive steps towards improved governance with the reconfiguration of Eskom's board, state-owned enterprises still largely remain a negative risk to the fiscus, and, as a consequence, economic growth.
Inflation	The synchronised rise in energy and other raw material prices in the past few months has started showing in headline inflation numbers in many economies. Although global reflation is welcomed, since this is what policy makers had aimed to achieve, the feed-through to underlying inflation remains unconvincing. Final demand is simply not yet strong enough to cause inflation in most developed economies to sustainably breach central bank targets. Locally, the telegraphed drop in food inflation and a broadly neutral currency view, results in our 2018 annual average inflation forecast of 4.7%. Recent rand strength in response to the perceived market friendly outcome of the ANC Elective Conference, as well as NERSA's decision to only allow Eskom a 5.2% tariff increase as opposed to the requested 19.9%, should contribute to a more benign inflation outlook for this year. The net impact of recent tax changes, particularly VAT, is negligible to our inflation outlook.
Balance of payments	An improved terms of trade position and a pick-up in global economic activity are still lending support to the South African balance of payments position. Recent rand strength and a loss of competitiveness relative to peers is, however, undoing some of this benefit. As a result, we expect a marginal widening of the current account balance from an annual average of 2.0% of GDP in 2017 to -2.5% in 2018, followed by a widening to -3.0% in 2019. The unfavourable income account deficit (primarily comprised of net dividend and interest payments to foreigners) remains a considerable drag on a sustained and meaningful fundamental balance of payments correction. A stronger currency may continue to impede a narrowing of the current account deficit over the medium term.

Key macroeconomic themes continue

Monetary policy	Now firmly down the path of monetary policy normalisation in the US, we agree with the Federal Reserve's continued intent to follow a slow and gradual monetary policy normalisation process. With an unemployment rate seemingly marching to 4% and inflation pressures gradually building in the US, we believe that the Federal Reserve should continue with its interest rate normalisation process. If anything, we are of the view that it may be in a position to raise rates by more than what is currently priced by markets, i.e. by as much as 100 basis points. While the Federal Reserve intends to reduce the size of its balance sheet in an interest rate neutral manner, we are of the opinion that the sheer size of this reduction should contribute to a gradual lift in the ceiling for US Treasury yields, especially if the economic recovery gathers more momentum. In addition, the expected significant widening of the Federal budget deficit for the forthcoming fiscal year on the back of strong economic growth momentum allows more room for monetary policy normalisation. The current trend of global monetary policy divergence is expected to continue over the next year or so. With more policy tightening in the US on the cards, the European Central Bank (ECB) and Bank of Japan will retain their respective quantitative easing and negative interest rate policy programmes, but with some tweaks. In the case of the ECB, this will continue to take the form of a slowdown in the pace of quantitative easing. All told, we expect central bank hawks to slowly gain some ground over the next few months. Following the surprise repo rate reduction in July 2017, the South African Reserve Bank has consistently remained on a more cautious path. We fully support this more defensive stance. Considering the size of the balance of payments deficit (albeit improving), the fact that actual inflation is hovering at the mid-point of the target range (4.5%), inflation expectations still largely stuck closer to the top end (6%), and indirect support from very loose global monetary policy slowly waning, we deem a neutral policy stance the most appropriate course for local monetary policy. While we acknowledge the risk a 25 basis point cut in the near term, we strongly disagree with the forward rate market pricing a stronger rate cut cycle.
Fiscal policy	Following the tabling of a less alarming national budget in February, National Treasury is still confronted by a very challenging fiscal path. Admittedly, the gross debt to GDP ratio estimates for the next three years are lower compared to the October 2017 estimates, but are still worse than estimates a mere twelve months ago. As we have previously highlighted, structurally weak domestic growth is severely impeding the consolidation of SA's budget balance. We now look to the actual delivery of fiscal and wide-ranging State Owned Enterprise (SOE) reform to reinvigorate consumer and business confidence, as the scope to steer SA Inc. towards a sustainable growth path quickly narrows.

Investment view and strategy

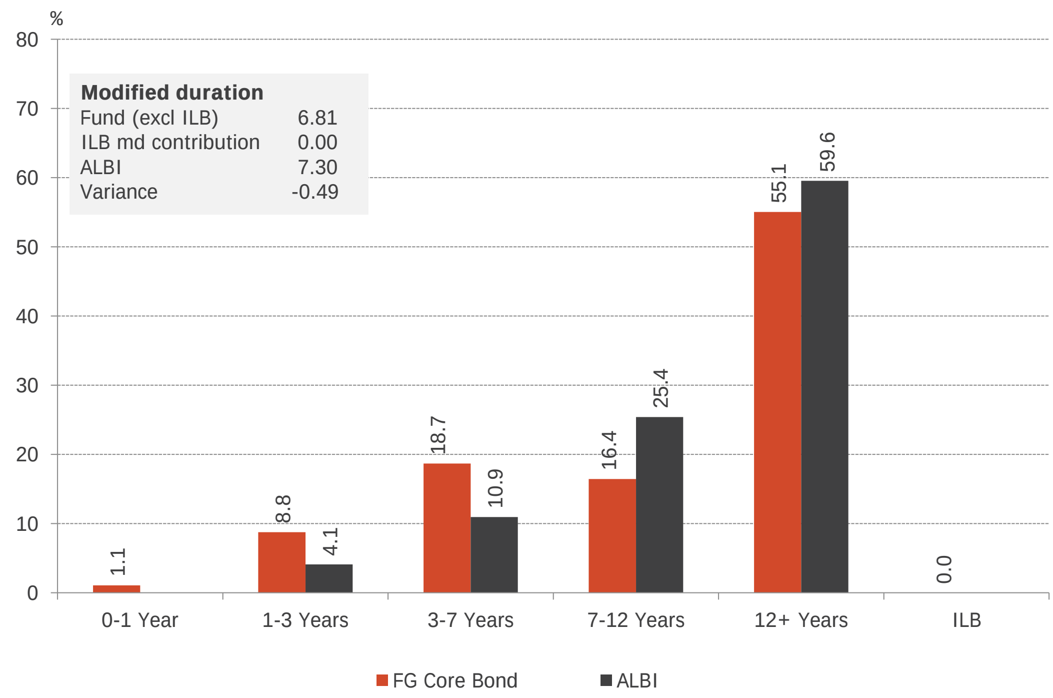
Our view remains that, despite the recent pick-up in global bond yields, developed bond markets are still not appropriately priced. In our view, the Federal Reserve is in a position to lift the policy rate by 75 to 100 basis points this year. Considering the strong positive growth momentum and the low level of risk premia following years of aggressive central bank intervention, we expect more global bond market weakness in months to come. Although the Federal Reserve is adamant that the unwinding of its balance sheet will be done in an interest rate neutral manner, we believe that this process will nevertheless contribute to the lifting of the global bond rate ceiling. In addition, the US has opted to loosen fiscal policy significantly, at a time when positive economic growth has already gained sustainable momentum.

Locally, our main concern with regards to the bond market remains the strong link between lacklustre economic growth and fiscal consolidation, or, more specifically, the rising government debt burden. Recent political changes, action with regards to SOE management and the tabling of the latest budget most certainly went some way to reducing some of our concerns. However, it would be irresponsible to ignore execution risk. The structural nature and extent of the country's macroeconomic ills require significant policy adjustment, time and effort to resolve.

Our view on monetary policy also remains more cautious than what has been priced by the forward money market. Admittedly, the more benign inflation outlook and some fiscal tightening opened the window for a 25 basis points repo rate cut in the near term. However, we would not subscribe to a more bullish interest rate view. Inflation expectations are hovering closer to the top end of the 3 to 6% inflation target range, actual inflation is merely back to the middle of this range, while monetary policy tightening in some parts of the developed world should not go unnoticed. Albeit reduced in size, a significant further contraction of the current account deficit will be hampered by a persistent, large negative services account balance and a much stronger rand.

All considered, we fear that markets have gotten ahead of themselves with unrealistic expectations, specifically in terms of the timing of fixing the country's complex fundamental ills. In contrast to a mere few weeks ago, very few dare consider the possibility of a Moody's sovereign ratings downgrade. Although this risk has shifted to a low probability event, complacent expectations and bullish market positioning also dictate that this now becomes a high impact risk.

As a result, our broad interest rate investment strategy remains defensive. In the case of our Core Bond Composite (benchmarked against the All Bond Index), this is expressed as follows:



Key economic indicators and forecasts (annual averages)

	2014	2015	2016	2017	2018	2019
Global GDP	2.8%	2.9%	2.5%	3.3%	3.6%	3.2%
SA GDP	1.5%	1.3%	0.3%	0.9%	1.8%	2.0%
SA Headline CPI	6.1%	4.6%	6.3%	5.3%	4.7%	5.0%
SA Current Account (% of GDP)	-5.4%	-4.4%	-3.3%	-2.0%	-2.5%	-3.0%

Source: Old Mutual Investment Group

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Product information and performance

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
MONEY MARKET											
Call Money Market	Average Call rate of four largest SA banks	Aims to provide maximum return on overnight cash investments.	Nazley Bardien	January 2000	Product Benchmark Outperformance	7.18% 6.76% 0.42%	6.82% 6.40% 0.42%	6.21% 5.77% 0.44%	5.94% 5.48% 0.46%	6.74% 6.25% 0.49%	7.09% 6.61% 0.48%
Core Money Market	STeFI 3-month Index	Targets high cash returns through a carefully balanced and actively managed mix of short-term interest-bearing investments. The weighted average duration for the Composite may not exceed 120 days.	Michael van Rensburg	July 2004	Product Benchmark Outperformance	8.29% 7.11% 1.18%	7.88% 6.81% 1.07%	7.15% 6.25% 0.90%	6.79% 6.00% 0.79%	7.65% 6.79% 0.86%	7.88% 7.13% 0.75%
180 day Enhanced Money Market	STeFI Composite Index	Targets high cash returns through a carefully balanced and actively managed mix of short- and medium-term interest-bearing investments with maturities ranging from 180 days to 2 years.	Michael van Rensburg	July 2004	Product Benchmark Outperformance	8.53% 7.48% 1.05%	8.19% 7.18% 1.01%	7.36% 6.57% 0.79%	7.02% 6.25% 0.77%	7.89% 6.97% 0.92%	8.10% 7.26% 0.84%
STEFI PLUS											
Yield Enhanced A STeFI+ Short Term	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of A-. Weighted average term to maturity less than 365 days.	Rhandzo Mukansi	October 2002	Product Benchmark Outperformance	9.40% 7.48% 1.92%	8.68% 7.18% 1.50%	8.10% 6.57% 1.53%	7.92% 6.28% 1.64%	8.58% 7.08% 1.50%	9.01% 7.77% 1.24%
Yield Enhanced A STeFI+	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of A based on official ratings. Weighted average term to maturity less than five years.	Rhandzo Mukansi	January 2010	Product Benchmark Outperformance	10.39% 7.48% 2.91%	9.69% 7.18% 2.51%	9.02% 6.57% 2.45%	8.67% 6.28% 2.39%		8.80% 6.35% 2.45%
Yield Enhanced BBB STeFI+	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of BBB.	Daphne Botha	February 2010	Product Benchmark Outperformance	10.96% 7.48% 3.48%	11.41% 7.18% 4.23%	10.82% 6.57% 4.25%	10.29% 6.28% 4.01%		10.28% 6.34% 3.94%

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
STEFI PLUS CONT.											
Yield Enhanced BB STeFI+	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of BB.	Daphne Botha	January 2012	Product Benchmark Outperformance	10.54% 7.48% 3.06%	11.91% 7.18% 4.73%	12.88% 6.57% 6.31%			11.99% 6.36% 5.63%
Yield Enhanced Geared BB STeFI+	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement, as well as equity risk. The Composite's weighted average rated credit quality must be a minimum of BB-.	Daphne Botha	January 2008	Product Benchmark Outperformance	10.16% 7.48% 2.68%	11.58% 7.18% 4.40%	12.81% 6.57% 6.24%	11.46% 6.28% 5.18%	11.92% 7.08% 4.84%	11.92% 7.13% 4.79%
Power Debt	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of BBB. Investments in this product are limited to listed and unlisted assets in the power sector and supporting industries.	Paul Semple	May 2014	Product Benchmark Outperformance	11.42% 7.48% 3.94%	11.28% 7.18% 4.10%				11.48% 6.96% 4.52%
INCOME											
Core Income	50% STeFI Call Deposit Index; 50% 3-7 Years All Bond Index	Aims to deliver excess return by investing in money market and bond assets with a focus on yield enhancement while limiting interest rate risk to a maximum average duration of two years.	Wikus Furstenberg	November 2002	Product Benchmark Outperformance	9.59% 9.55% 0.04%	7.82% 7.85% -0.03%	7.18% 6.96% 0.22%	7.34% 6.95% 0.39%	8.18% 7.57% 0.61%	8.64% 8.08% 0.56%
Flexible Income	110% SteFI Call Index	Aims to deliver excess return by investing in money market, bonds, preference shares and listed property and taking advantage of yield enhancement and capital growth opportunities. The composite is not limited by duration constraints.	Wikus Furstenberg	July 2006	Product Benchmark Outperformance	9.07% 7.55% 1.52%	7.74% 7.24% 0.50%	7.23% 6.62% 0.61%	7.91% 6.35% 1.56%	8.80% 7.33% 1.47%	8.94% 7.31% 1.63%
Yield Enhanced Income	20% All Bond Index; 80% STeFI Composite Index	Aims to deliver excess returns through a combination of active interest rate risk management and yield enhancement by investing in listed and unlisted assets. Interest rate risk is constrained.	Wikus Furstenberg	May 2012	Product Benchmark Outperformance	10.04% 8.86% 1.18%	8.99% 7.34% 1.65%	8.67% 6.77% 1.90%			8.84% 6.84% 2.00%

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
INTEREST RATE ASSET ALLOCATION											
Interest Rate Asset Allocation	ALBI (62.5%); JSE ILB IGOV Index (30%); STeFI Call Deposit Index (7.5%)	Aims to deliver excess return mainly through a combination of aggressive asset allocation within the various interest-bearing asset classes.	Wikus Furstenberg	July 2010	Product Benchmark Outperformance	11.95% 9.51% 2.44%	6.68% 6.60% 0.08%	7.76% 6.50% 1.26%	9.87% 8.56% 1.31%		9.80% 8.65% 1.15%
INFLATION-LINKED BONDS											
Passive ILB Index	Barclays Capital/ Absa SAGILB	Aims to match the returns of the benchmark through passive interest rate and yield curve management.	Nazley Bardien	September 2005	Product Benchmark Outperformance	0.56% 0.66% -0.10%	4.05% 4.09% -0.04%	4.61% 4.66% -0.05%	7.67% 7.77% -0.10%	8.37% 8.44% -0.07%	8.86% 8.93% -0.07%
Core ILB	JSE ILB IGOV Index	Aims to deliver excess return through active interest rate risk management and limited yield enhancement.	Wikus Furstenberg	November 2005	Product Benchmark Outperformance	1.72% 0.55% 1.17%	4.52% 4.09% 0.43%	4.89% 4.66% 0.23%	8.15% 7.77% 0.38%	8.84% 8.44% 0.40%	9.05% 8.70% 0.35%
Yield Enhanced Long Duration ILB	Barclays SAGILB 15+ Total Return Index	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted assets.	Jason Lightfoot	June 2011	Product Benchmark Outperformance	-1.87% -3.96% 2.09%	4.02% 1.98% 2.04%	6.47% 4.00% 2.47%			9.09% 7.03% 2.06%
Power ILB	RSA Inflation Linked Government Bond I2038 Total Return Index	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted assets in the power sector and supporting industries.	Jason Lightfoot	January 2014	Product Benchmark Outperformance	0.62% -2.25% 2.87%					4.19% 1.04% 3.15%
Infrastructure & Development ILB	Barclays BESA SAGILB 15+	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted socially responsible and developmental assets.	Jason Lightfoot	November 2016	Product Benchmark Outperformance	-2.44% -3.96% 1.52%					-1.99% -3.47% 1.48%
NOMINAL BONDS											
Passive All Bond	All Bond Index	Aims to match the returns of the benchmark through passive interest rate and yield curve management.	Nazley Bardien	June 2000	Product Benchmark Outperformance	14.29% 14.33% -0.04%	7.71% 7.72% -0.01%	7.33% 7.33% 0.00%	9.16% 9.17% -0.01%	9.35% 9.35% 0.00%	11.01% 10.99% 0.02%
Core Bond	All Bond Index	Aims to deliver excess return through a combination of interest-bearing asset allocation, active duration management and yield enhancement.	Daphne Botha/ Wikus Furstenberg/ Rhandzo Mukansi	January 2000	Product Benchmark Outperformance	14.72% 14.33% 0.39%	8.00% 7.72% 0.28%	7.92% 7.33% 0.59%	9.82% 9.17% 0.65%	10.09% 9.35% 0.74%	11.46% 10.87% 0.59%

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
NOMINAL BONDS cont.											
Long Duration Bond	All Bond Index 12+ Years	Aims to deliver excess return through active allocation between long-dated fixed rate and inflation-linked bonds, limited yield curve selection, duration management and yield enhancement.	Wikus Furstenberg	December 2006	Product Benchmark Outperformance	15.62% 15.45% 0.17%	6.64% 6.99% -0.35%	7.39% 7.51% -0.12%	9.43% 9.57% -0.14%	9.47% 9.27% 0.20%	8.38% 8.09% 0.29%
Yield Enhanced Bond	All Bond Index	Targets high cash returns through a combination of active interest rate risk management and yield enhancement by investing in listed and unlisted assets.	Jason Lightfoot	December 2001	Product Benchmark Outperformance	16.03% 14.33% 1.70%	9.54% 7.72% 1.82%	9.82% 7.33% 2.49%	11.64% 9.17% 2.47%	11.79% 9.35% 2.44%	11.47% 9.55% 1.92%
Infrastructure & Development Bond	All Bond Index	Targets high cash returns through a combination of active interest rate risk management and yield enhancement by investing in listed and unlisted socially responsible and developmental assets.	Jason Lightfoot	January 1995	Product Benchmark Outperformance	16.11% 14.33% 1.78%	9.55% 7.72% 1.83%	9.72% 7.33% 2.39%	11.65% 9.17% 2.48%	11.90% 9.35% 2.55%	12.84% 10.87% 1.97%
DEVELOPMENTAL INVESTMENTS											
Infrastructure & Development Bond	All Bond Index	Targets high cash returns through a combination of active interest rate risk management and yield enhancement by investing in listed and unlisted socially responsible and developmental assets.	Jason Lightfoot	January 1995	Product Benchmark Outperformance	16.11% 14.33% 1.78%	9.55% 7.72% 1.83%	9.72% 7.33% 2.39%	11.65% 9.17% 2.48%	11.90% 9.35% 2.55%	12.84% 10.87% 1.97%
Development Equity	Consumer Price Index (CPI) + 10%	Targeting high returns by investing in equity and related assets that are socially responsible or develop-mental.	James Howard & Sarah de Villiers	September 2006	Product Benchmark	9.37% 14.38% -5.01%	10.25% 15.73% -5.48%	12.94% 15.49% -2.55%	12.23% 15.58% -3.35%	12.29% 15.70% -3.41%	16.68% 16.08% 0.60%
Community Property	Consumer Price Index (CPI) + 4%	A portfolio specialising in the finance and development of retail shopping centres catering to the needs of under-serviced communi-ties throughout South Africa.	Smital Rambhai	June 1996	Product Benchmark	13.89% 8.38% 5.51%	18.50% 9.73% 8.77%	14.61% 9.48% 5.13%	12.89% 9.57% 3.32%	11.79% 9.69% 2.10%	13.83% 9.79% 4.04%
Agri	Consumer Price Index (CPI) + 10%	A portfolio specialising in equity investments in agricultural land, agribusinesses and farming infrastructure.	Smital Rambhai (Product Manager)	March 2010	Product Benchmark	N/A					

Product	Benchmark	Description	Portfolio manager	Inception date	Investment returns	1 Year	3 Years*	5 Years*	7 Years*	10 Years*	Since inception*
DEVELOPMENTAL INVESTMENTS cont.											
Development Balanced**	A composite weighting of the underlying funds' benchmarks.	A balanced portfolio providing investors with social impact from a targeted and development perspective and exposure to listed equities that track the JSE's SRI Index.	James Howard	November 2004	Product Benchmark Outperformance	18.22% 15.21% 3.01%	8.51% 5.90% 2.61%	10.16% 8.14% 2.02%	10.92% 9.11% 1.81%	9.06% 8.23% 0.83%	13.25% 12.08% 1.17%
Power Debt	STeFI Composite Index	Targets high cash returns through active interest rate risk management and yield enhancement. The Composite's weighted average rated credit quality must be a minimum of BBB. Investments in this product are limited to listed and unlisted assets in the power sector and supporting industries.	Paul Semple	May 2014	Product Benchmark Outperformance	11.42% 7.48% 3.94%	11.28% 7.18% 4.10%				11.48% 6.96% 4.52%
Power ILB	RSA Inflation Linked Government Bond I2038 Total Return Index	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in lis ted and unlisted assets in the power sector and supporting industries.	Jason Lightfoot	January 2014	Product Benchmark Outperformance	0.62% -2.25% 2.87%					4.19% 1.04% 3.15%
Infrastructure & Development ILB	Barclays BESA SAGILB 15+	Targets high cash returns through a combination of active, real and nominal interest rate risk management and yield enhancement by investing in listed and unlisted socially responsible and developmental assets.	Jason Lightfoot	November 2016	Product Benchmark Outperformance	-2.44% -3.96% 1.52%					-1.99% -3.47% 1.48%

Currency: ZAR/Gross of fees

*Annualised
**Currently investors are Futuregrowth staff who may elect to invest through their retirement funds.

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